

William Blair 4th Annual Emerging Growth Stock Conference

October 5, 2010

CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

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The statements in this presentation that are not historical facts, including, most importantly, those statements preceded by, or that include, the words “may,” “believe,” “projects,” “expects,” “anticipates” or the negation thereof, or similar expressions, constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Reform Act”). These statements may include, but are not limited to, statements regarding our future operating results and growth, and ability to expand and utilize flexibility under our credit facility. For all “forward-looking statements,” the Company claims the protection of the safe harbor for forward-looking statements contained in the Reform Act. Such forward-looking statements involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company and its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in the reports filed by the Company with the Securities and Exchange Commission, including the most recent reports on Forms 10-K, 10-Q and 8-K, each as it may be amended from time to time. The Company disclaims any intent or obligation to update these forward-looking statements.

ENCORE IS A LEADING PLAYER IN THE CONSUMER DEBT BUYING AND RECOVERY INDUSTRY

Distressed consumer debt purchasing (95% of revenue)

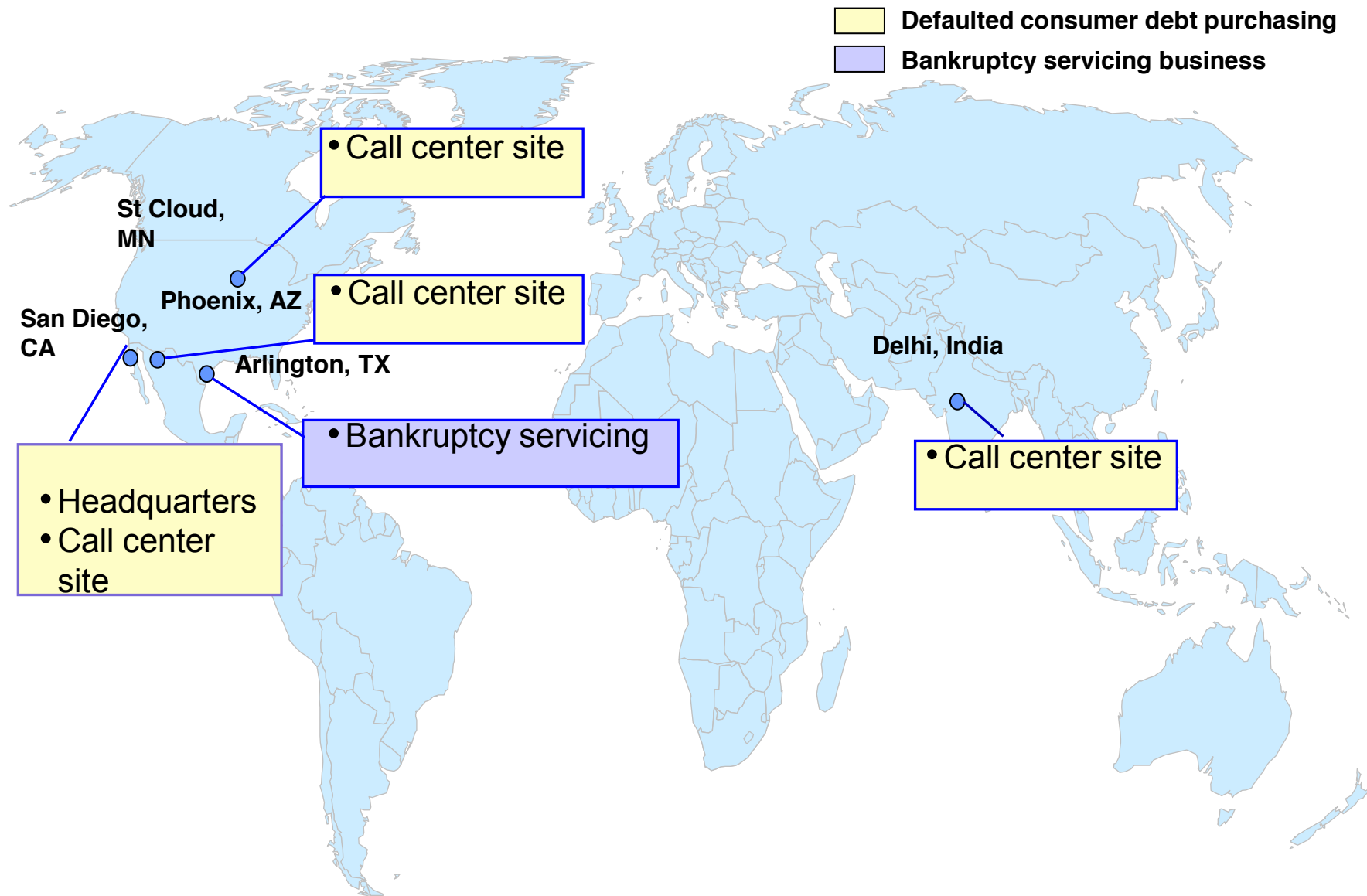
- Purchase and collection of charged-off consumer receivables (primarily credit card)
- Robust business model emphasizing consumer intelligence and operational specialization
- Invested ~\$1.6B to acquire receivables with a face value of ~\$48B since inception
- Acquired ~29MM consumer accounts since inception



Bankruptcy servicing (5% of revenue)

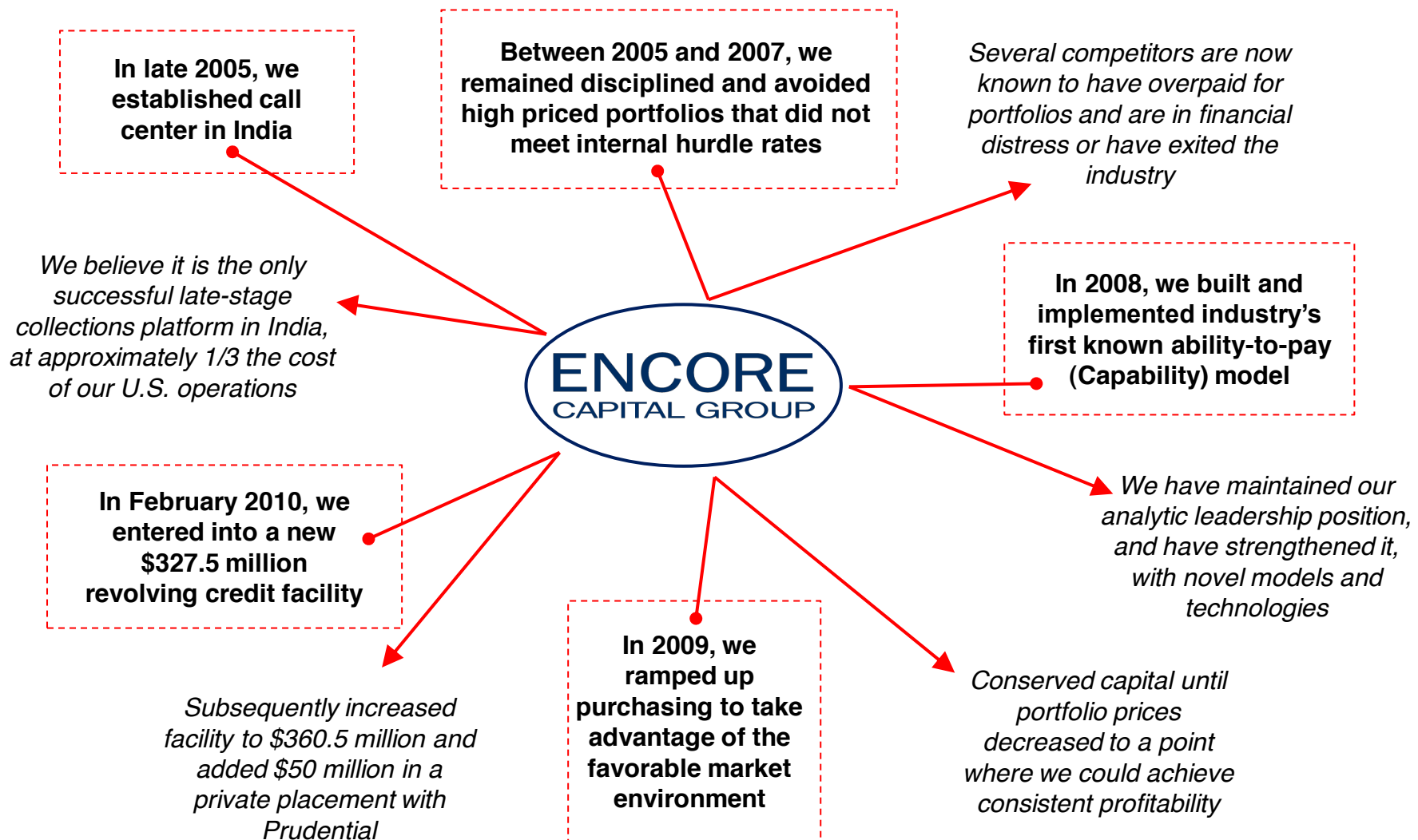
- Process secured consumer bankruptcy accounts for leading auto lenders and other financial institutions
- Proprietary software dedicated to bankruptcy servicing
- Operational platform that integrates lenders, trustees, and consumers

WE OPERATE IN FIVE DIFFERENT SITES ACROSS THE U.S. AND INDIA



WE ARE WELL POSITIONED TODAY BECAUSE OF KEY STRATEGIC DECISIONS WE MADE OVER THE PAST FEW YEARS

Case 1:10-cv-05868-PKC-GWG Document 37-1 Filed 09/02/11 Page 5 of 23



THESE DECISIONS ARE THE DRIVERS BEHIND OUR STRONG Q2 RESULTS

Q2 YOY Growth

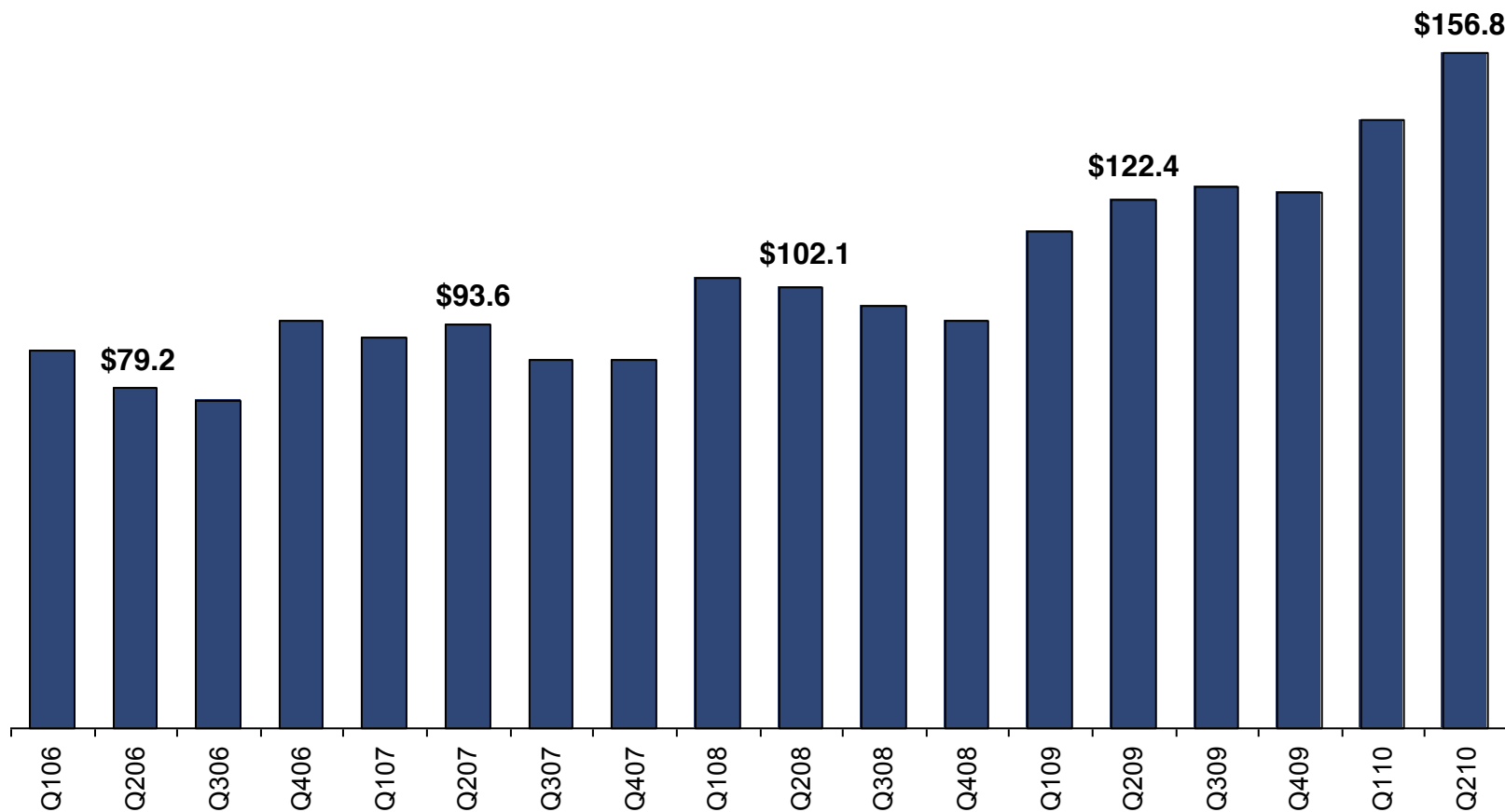
(\$000s, except EPS and ratios)	2009 Q2	2010 Q2	Variance	
Collections	\$122,373	\$156,789	\$34,416	28%
Revenue	\$78,035	\$96,231	\$18,196	23%
Adjusted EBITDA*	\$64,682	\$90,458	\$25,776	40%
EPS	\$0.28	\$0.47	\$0.19	68%
Purchases	\$82,033	\$83,336	\$1,303	2%

* Adjusted EBITDA is a non-GAAP number. The Company considers Adjusted EBITDA to be a meaningful indicator of operating performance and uses it as a measure to assess the operating performance of the Company. See Reconciliation of Adjusted EBITDA to GAAP Net Income at the end of the presentation.

WE HAVE NEARLY DOUBLED COLLECTIONS OVER THE LAST FOUR YEARS

Quarterly gross collections

(\$ millions)

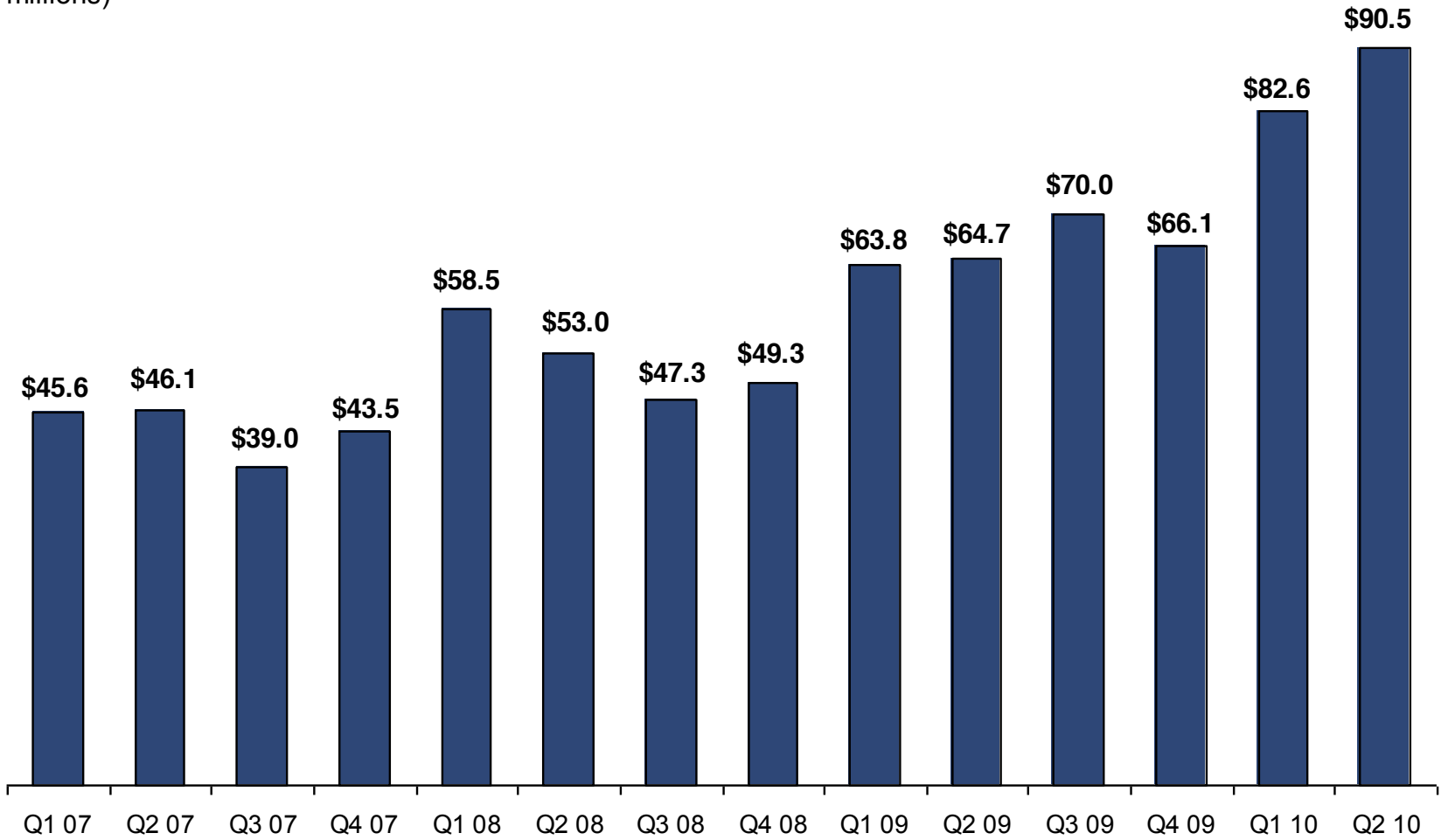


AND WE ARE INCREASING OUR OPERATING CASH FLOWS (ADJUSTED EBITDA) AT A FASTER RATE THAN COLLECTIONS

Case 1:10-cv-05868-PKC-GWG Document 37-1 Filed 09/02/11 Page 6 of 25

Adjusted EBITDA* by quarter

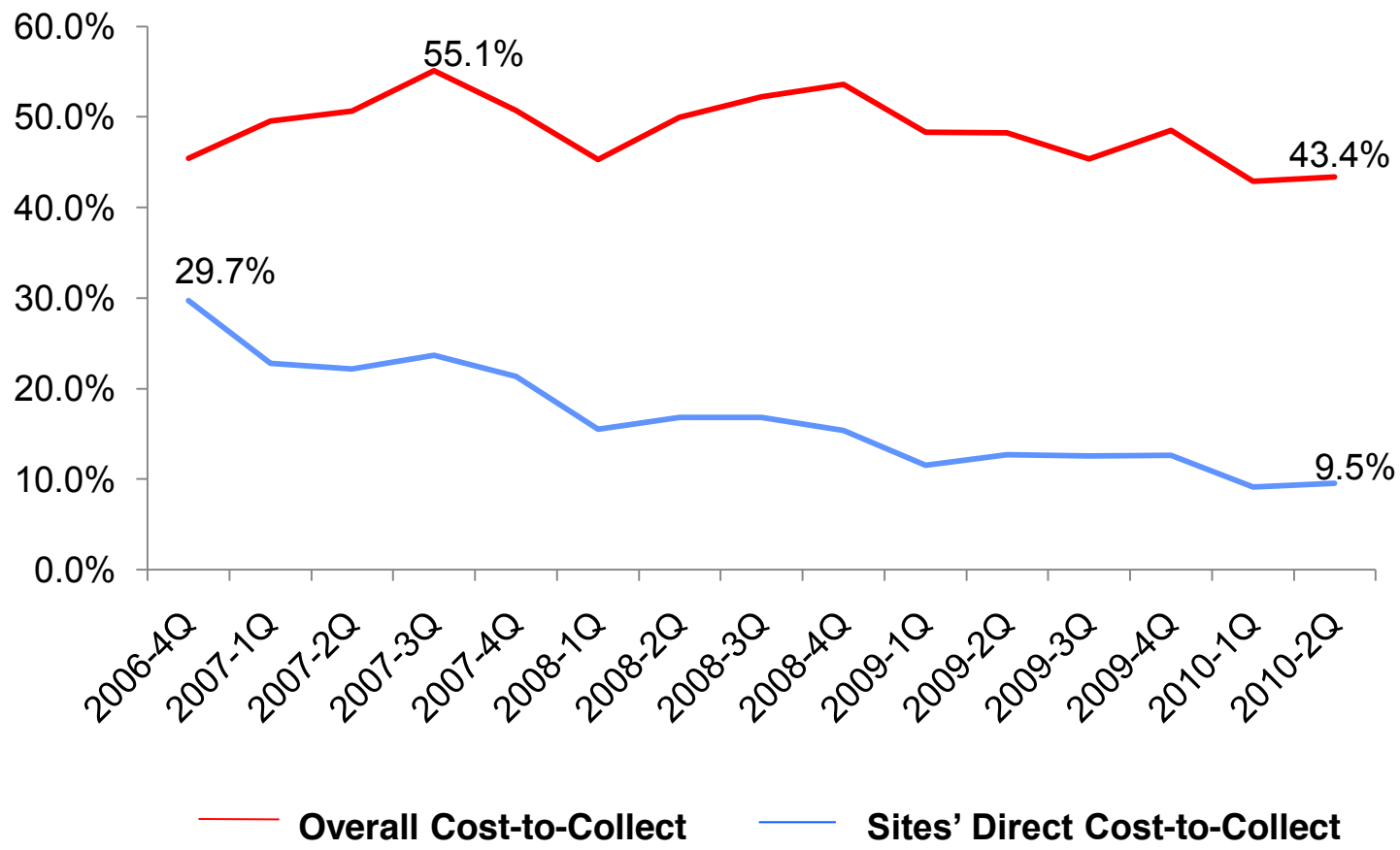
(\$ millions)



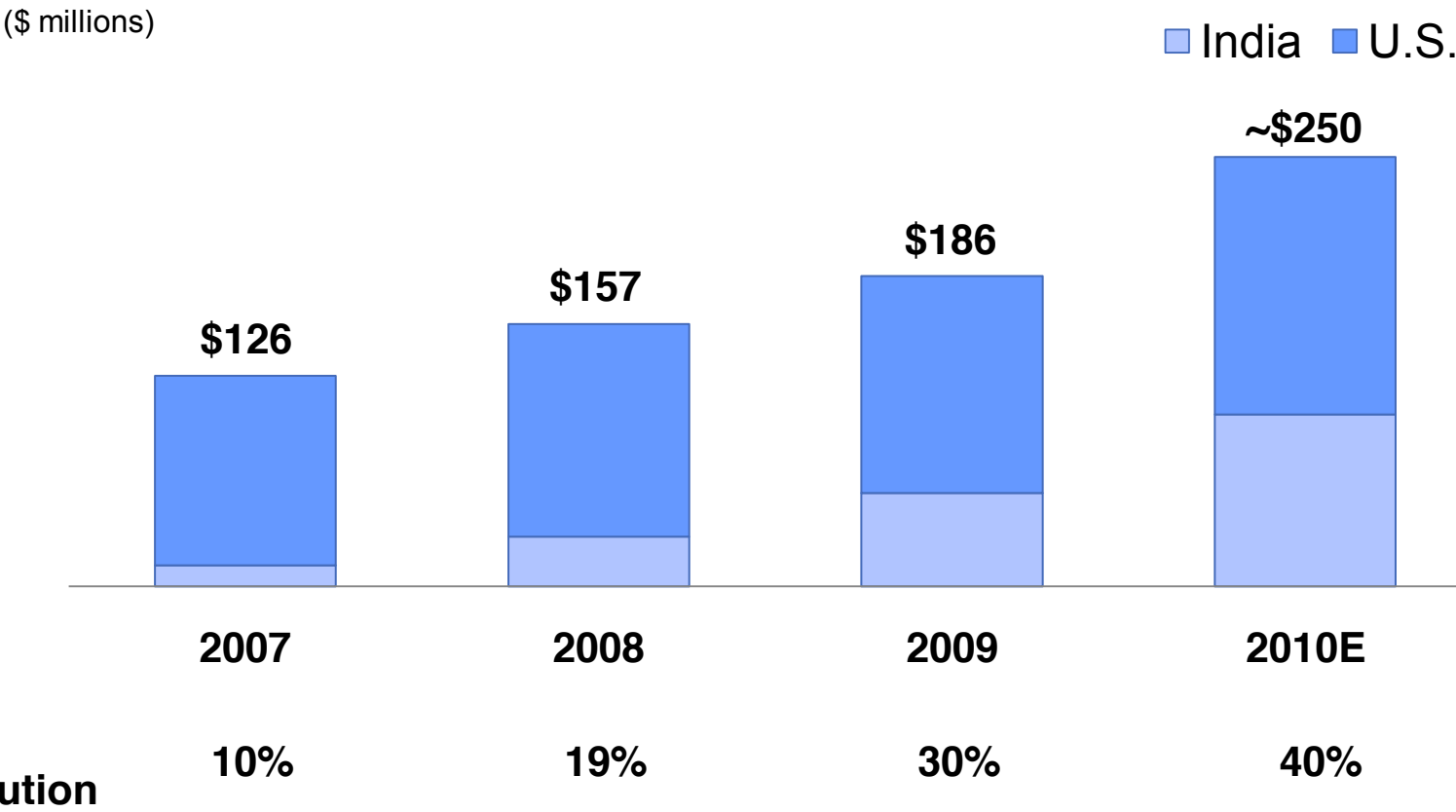
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A MAJOR CONTRIBUTOR TO THE IMPROVING CASH FLOW IS OUR LOWER COST STRUCTURE, DRIVEN BY EXPANSION INTO INDIA

Cost per dollar collected



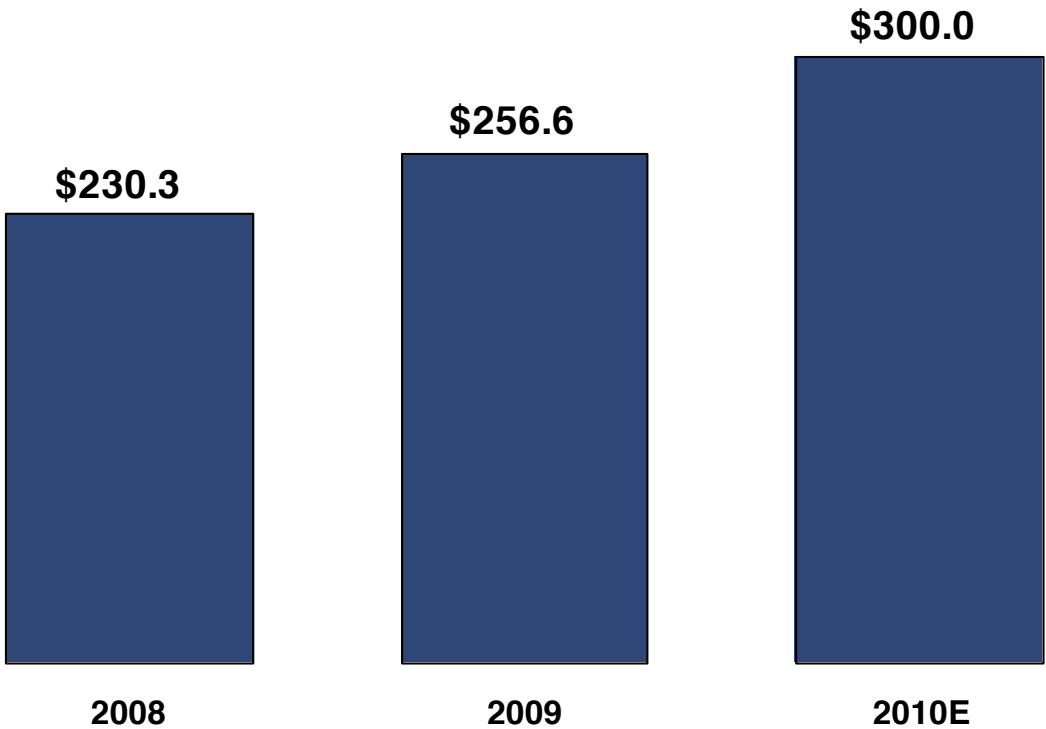
Collections from all call centers



WE ARE REINVESTING CASH BACK INTO THE BUSINESS THROUGH INCREASED PURCHASING VOLUMES

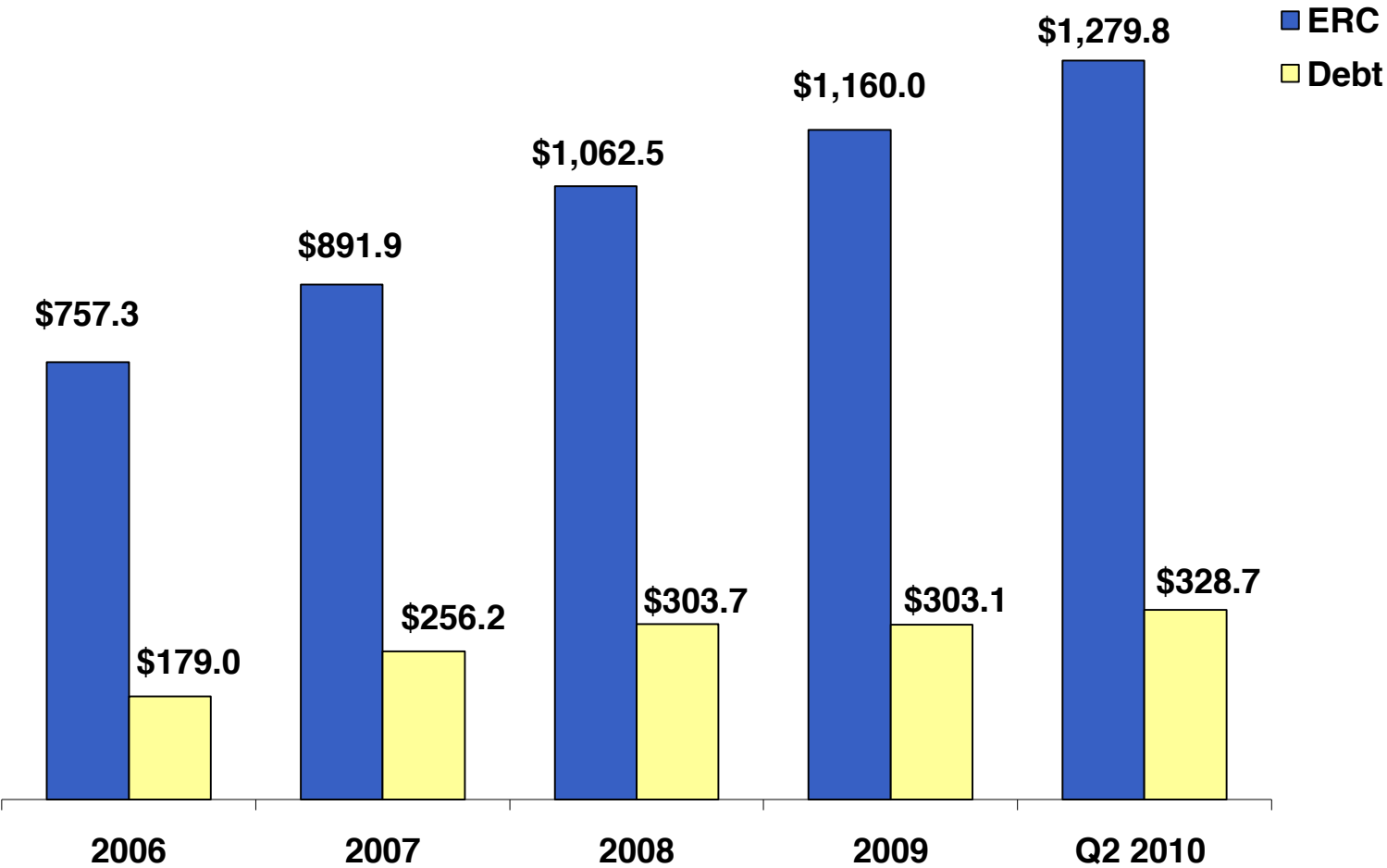
Full year purchases for 2008 and 2009; Estimate for 2010

(\$ millions)



WE ARE GROWING THE COMPANY'S EMBEDDED VALUE AT A FASTER PACE THAN TOTAL DEBT

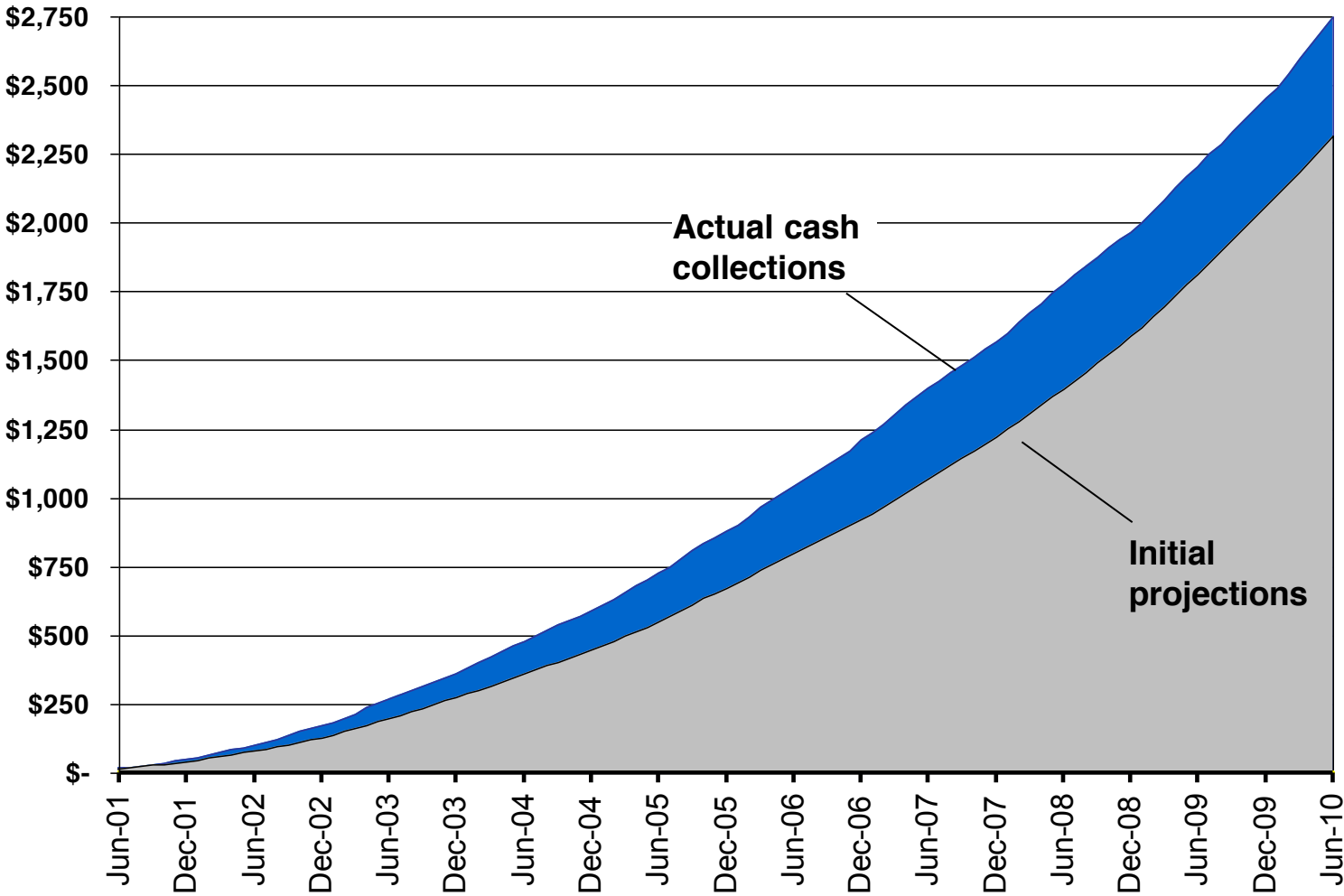
Annual Estimated Remaining Gross Collection (ERC) and Total Debt
 (\$ millions, at end of period)



AND WE BELIEVE THAT OUR CURRENT ESTIMATE OF REMAINING COLLECTIONS IS CONSERVATIVE GIVEN OUR HISTORY

Cumulative collections (initial expectation vs. actual)

(\$ millions, Jan 01 – June 10)



MARKET DYNAMICS HAVE INFLUENCED OUR APPROACH TO THE BUSINESS

Charge-offs remain elevated

Consumer credit continues to experience losses at near record levels

Supply more closely managed by the issuers

Demand increasing, albeit slowly

Few players with access to significant amounts of capital

Continued exit of large players, but others starting to gain traction

Consumer performance remains predictable

Our models continue to predict consumer behavior with a high degree of accuracy

Significant regulatory and legislative scrutiny

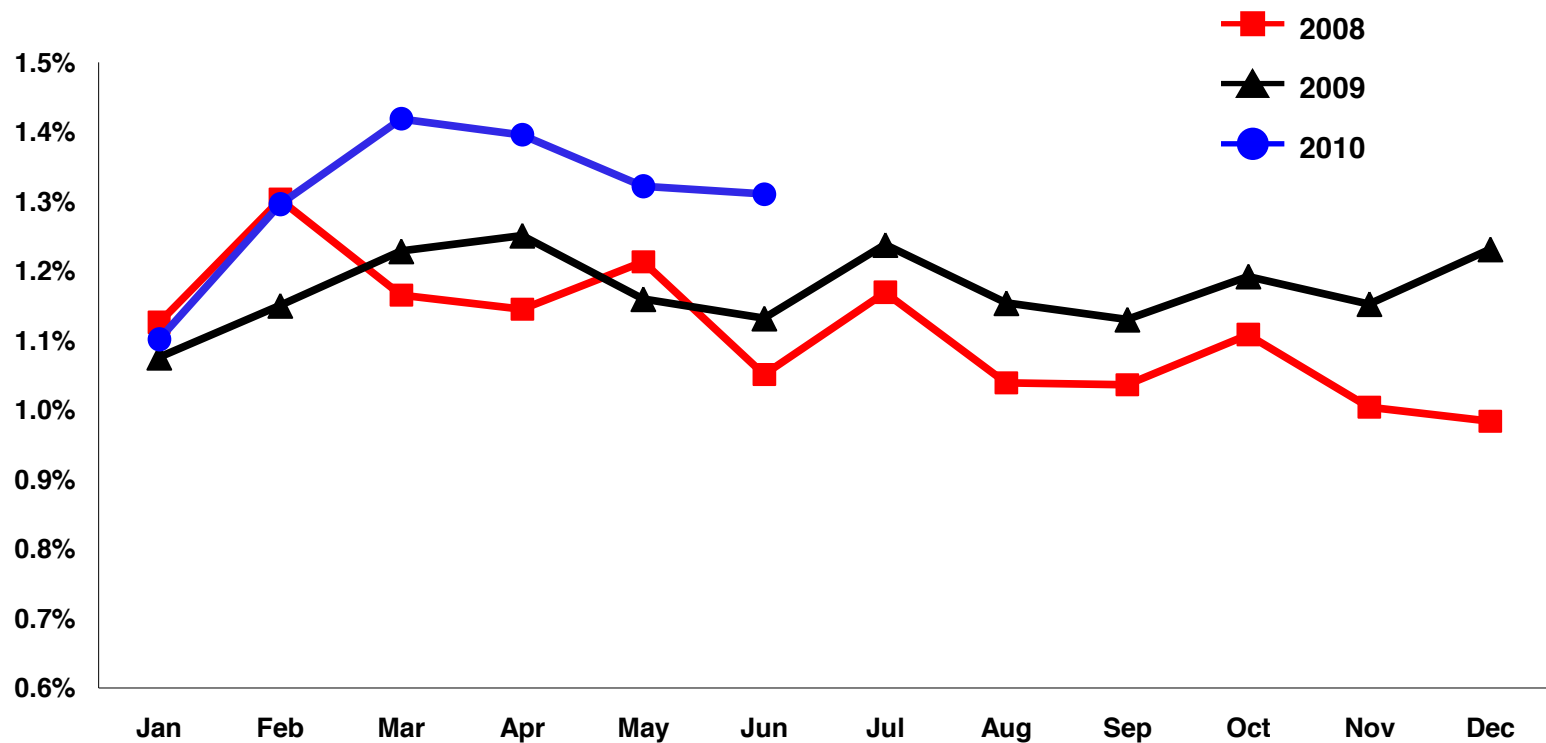
Both in our industry and in the financial services sector at large

DESPITE THE MACROECONOMIC HEADWINDS, OUR CONSUMERS' PAYMENT BEHAVIOR AND OUR PERFORMANCE REMAIN CONSISTENT

<i>Metric</i>	<i>Recent trend</i>
<ul style="list-style-type: none">• Payer rates	<ul style="list-style-type: none">• Slightly upward
<ul style="list-style-type: none">• Average payment size	<ul style="list-style-type: none">• Stable
<ul style="list-style-type: none">• Single vs. multi-payers	<ul style="list-style-type: none">• More payment plans
<ul style="list-style-type: none">• Broken payer rates	<ul style="list-style-type: none">• Mild improvement
<ul style="list-style-type: none">• Settlement rates	<ul style="list-style-type: none">• Upward trend

AND OUR OVERALL PAYER RATES HAVE IMPROVED

Overall payer rate for all active inventory



WE ARE POSITIONED TO RESPOND TO THE CHANGING REGULATORY ENVIRONMENT

Technology

Proprietary software platforms allow the company to make changes as new regulations and laws emerge

Data management

Sophisticated software and analytics platforms ensure that all data-driven activities are compliant

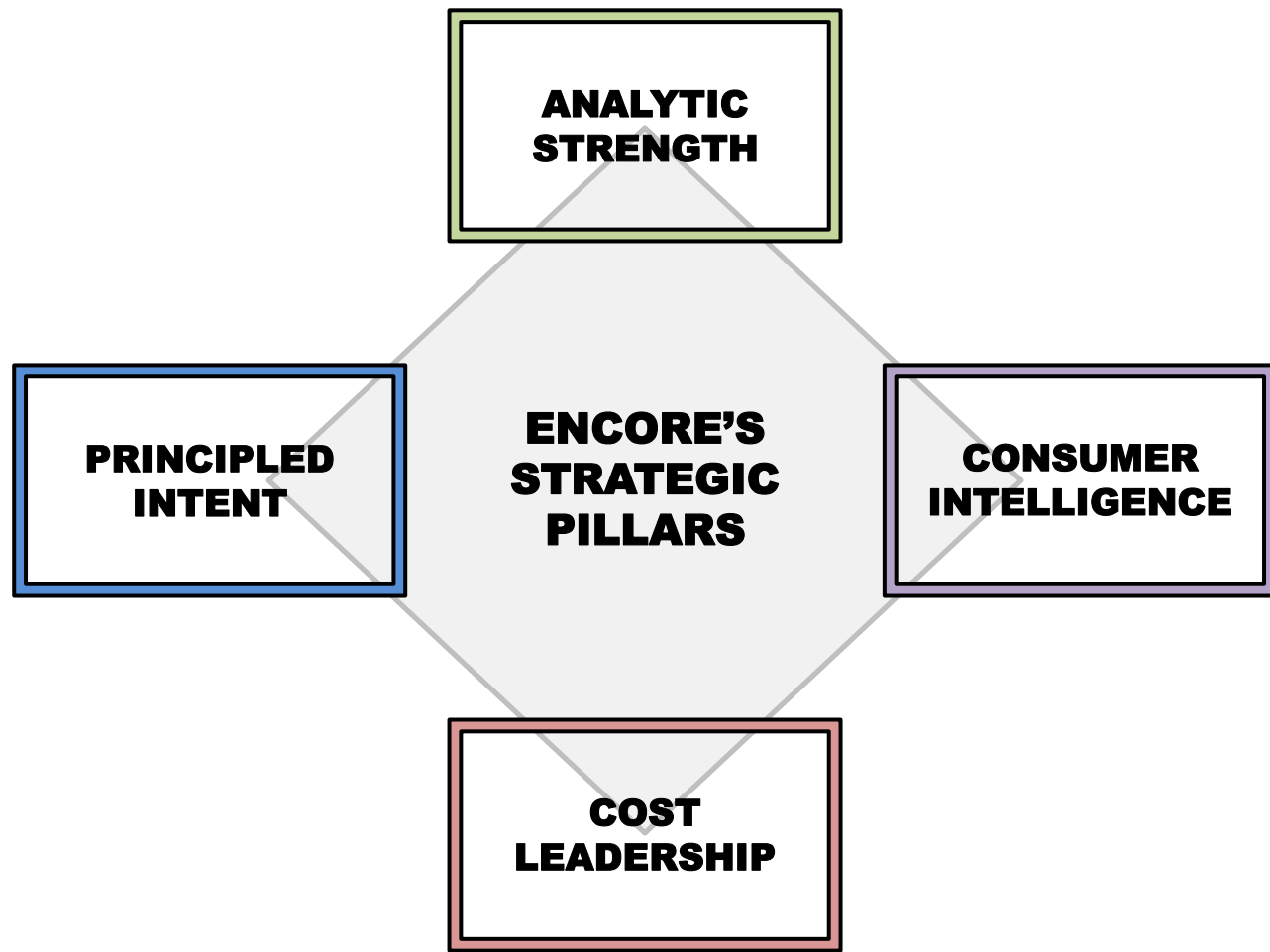
Training

Expanded legal and quality assurance teams partner with training department to keep account managers abreast of changes

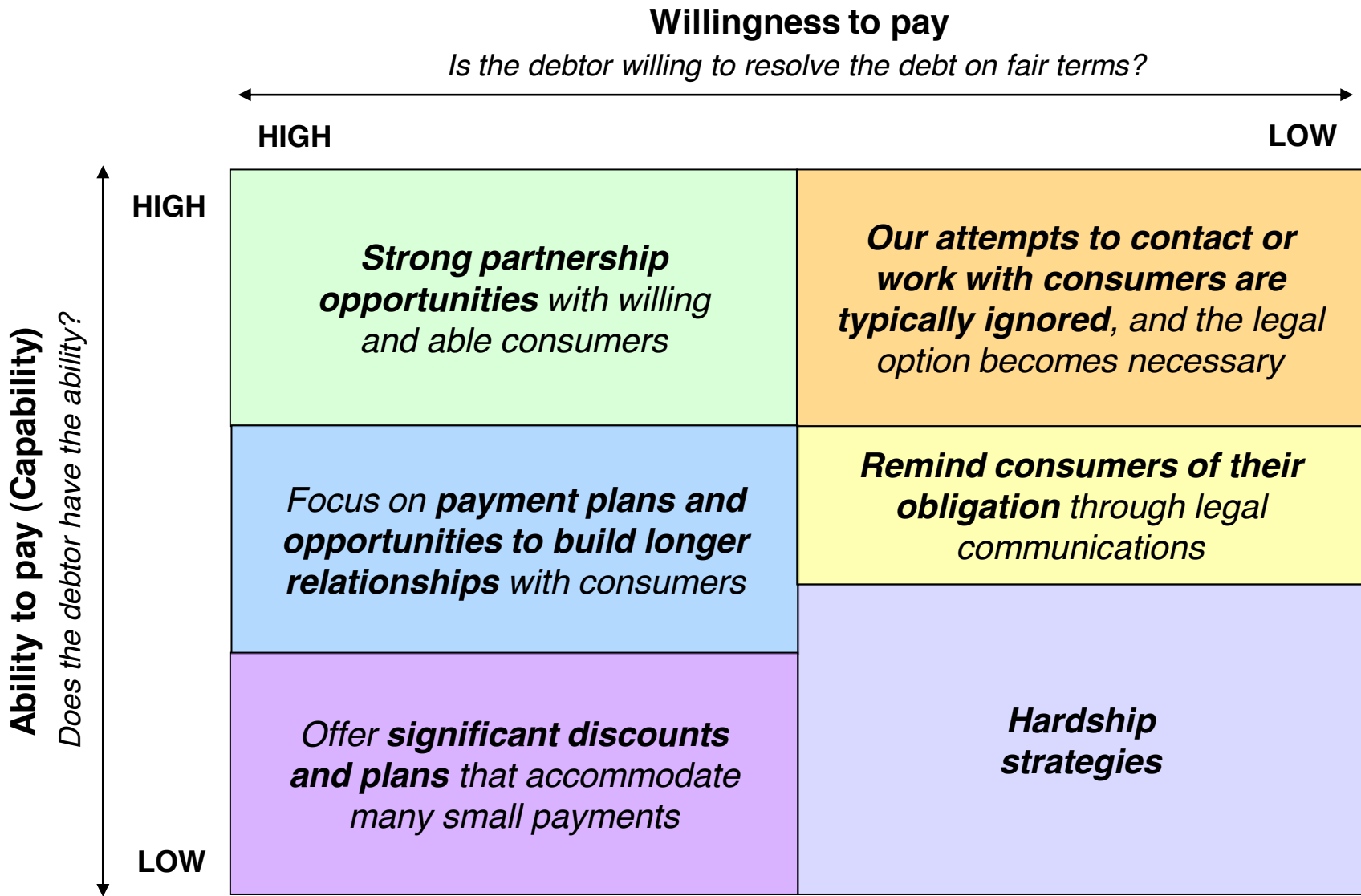
Self-discipline

Zero tolerance policy in place to address errors by account managers

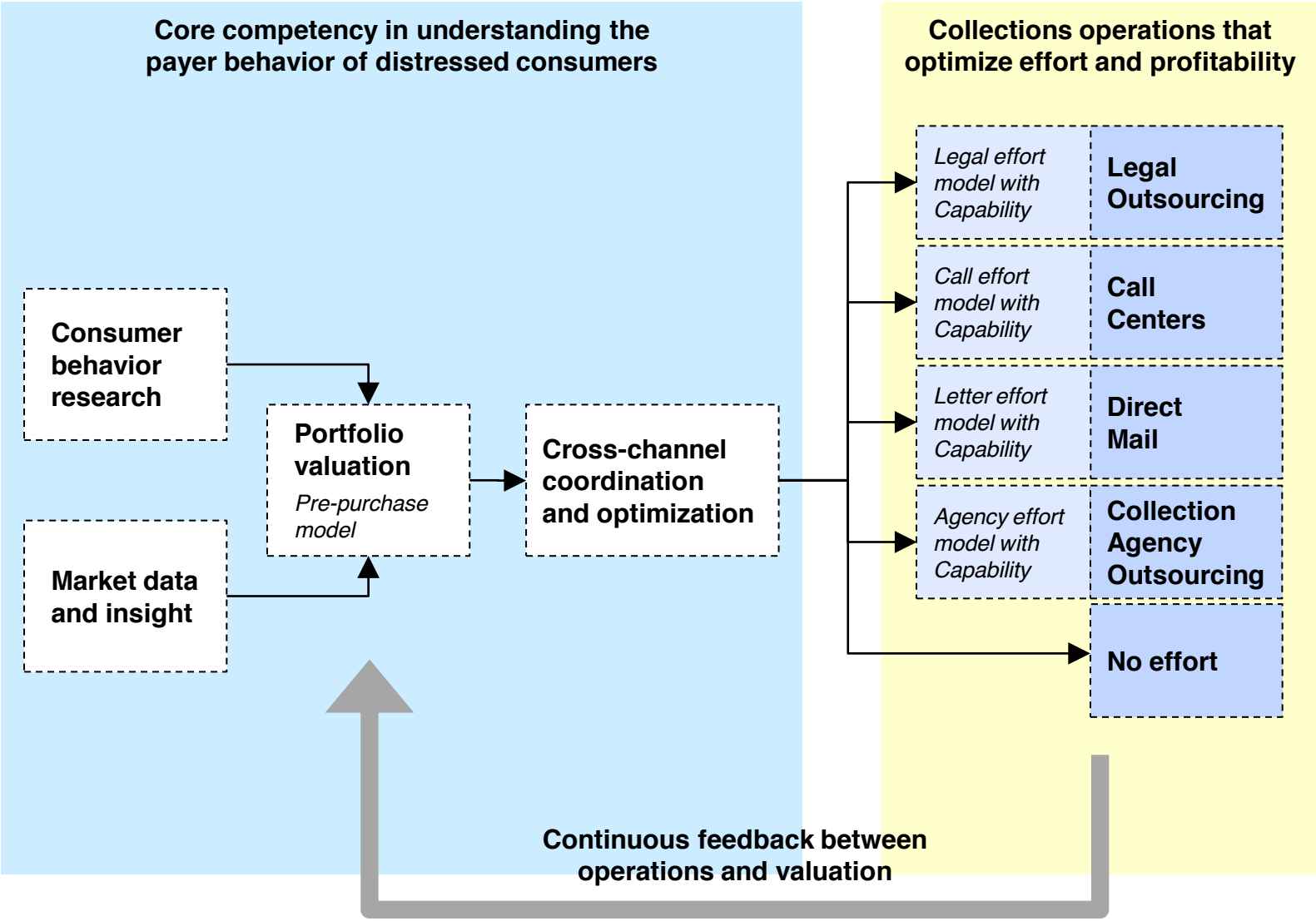
OUR OPERATIONAL SUCCESS IS BASED UPON FOUR STRATEGIC PRIORITIES



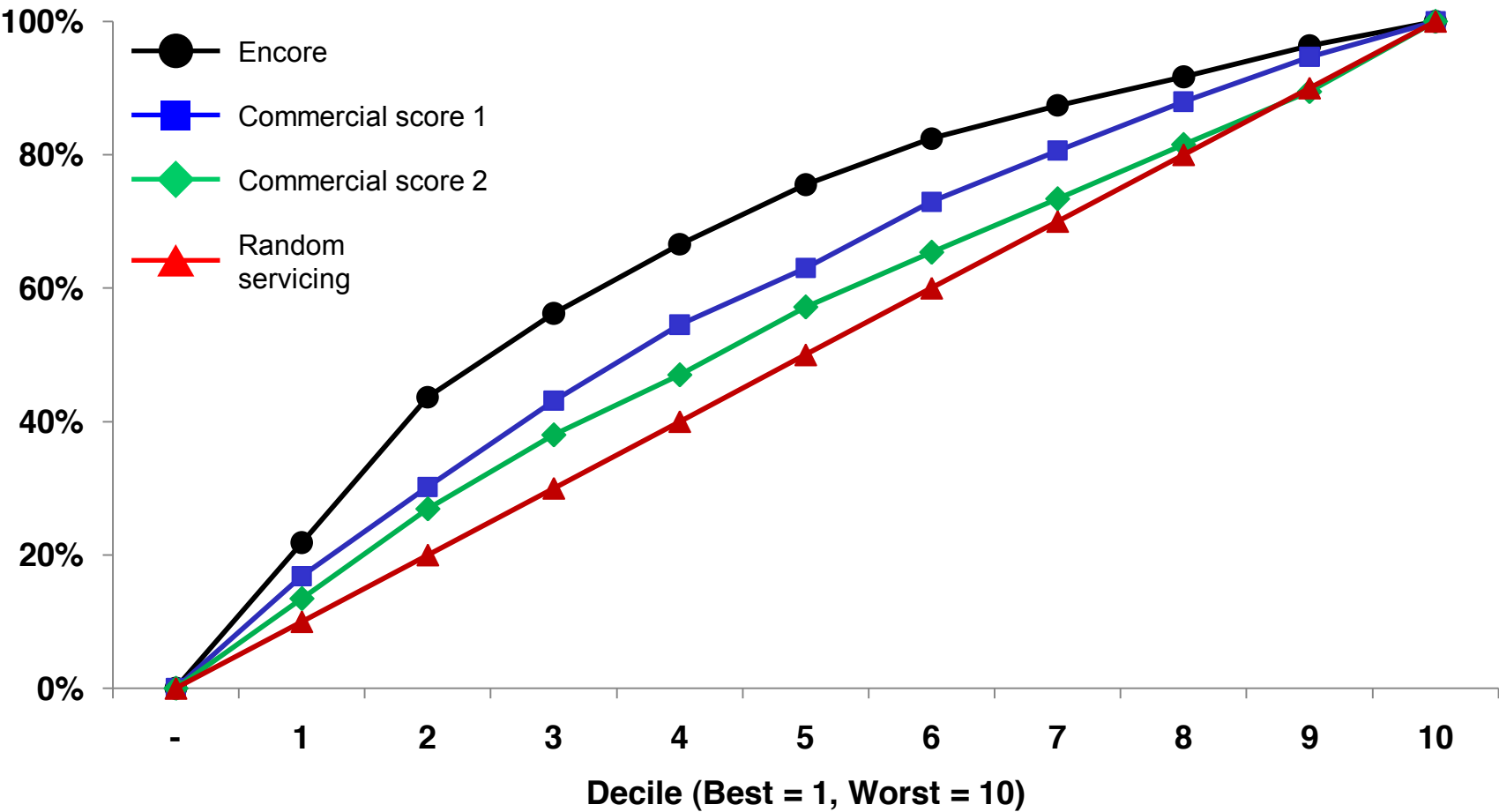
OUR ANALYTIC INSIGHT ALLOWS US TO MATCH OUR COLLECTION APPROACH TO THE INDIVIDUAL CONSUMER'S PAYMENT BEHAVIOR



OUR ANALYTIC REACH EXTENDS FROM PRE-PURCHASE THROUGHOUT OUR ENTIRE OWNERSHIP PERIOD



Collections lift over deciles, comparing Encore's ability-to-pay model against both competitor scores and random servicing strategies



- Favorable supply and demand dynamics are driving a strong purchasing year
- Insights gained through rigorous analytics inform our strategy and allow for a closer partnership with consumers
- Operational and financial leverage is increasing, largely due to our successful operating center in India
- Strong performance is expected to continue

Reconciliation of Adjusted EBITDA to GAAP Net Income

(Unaudited, In Thousands)

Three Months Ended

	3/31/07	6/30/07	9/30/07	12/31/07	3/31/08	6/30/08	9/30/08	12/31/08	3/31/09	6/30/09	9/30/09	12/31/09	3/31/10	6/30/10
GAAP net income, as reported	4,991	(1,515)	4,568	4,187	6,751	6,162	3,028	(2,095)	8,997	6,641	9,004	8,405	10,861	11,730
Interest expense	4,042	4,506	4,840	5,260	5,200	4,831	5,140	5,401	4,273	3,958	3,970	3,959	4,538	4,880
Contingent interest expense	3,235	888	-	-	-	-	-	-	-	-	-	-	-	-
Pay-off of future contingent interest	-	11,733	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income taxes	3,437	(1,031)	1,315	2,777	4,509	4,225	2,408	(1,442)	5,973	4,166	5,948	4,609	6,490	6,749
Depreciation and amortization	869	840	833	810	722	766	674	652	623	620	652	697	673	752
Amount applied to principal on receivable portfolios	28,259	29,452	26,114	29,498	40,212	35,785	35,140	46,364	42,851	48,303	49,188	47,384	58,265	64,901
Stock-based compensation expense	801	1,204	1,281	1,001	1,094	1,228	860	382	1,080	994	1,261	1,049	1,761	1,446
Adjusted EBITDA	45,634	46,077	38,951	43,533	58,488	52,997	47,250	49,262	63,797	64,682	70,023	66,103	82,588	90,458

Note: The periods 3/31/07 through 12/31/08 have been adjusted to reflect the retrospective application of ASC 470-20